

August 30, 2007

The Honorable Mark Sanford  
Office of the Governor  
P.O. Box 11829  
Columbia, SC 29211

Dear Governor Sanford:

The Department of Motor Vehicles will not be requesting any new operating or capital funding in its FY 2008 – 2009 budget submission. Additionally, the DMV does not have any new proviso requests or modification/deletions of existing provisos for FY 2008 – 2009.

As you are aware, DMV is now totally funded by revenues generated and retained by the agency. While these revenues are sufficient to fund current operations, new legislative mandates could prove to have a severe impact on this existing revenue base. Therefore, as we enter into the 2008 legislative session, DMV will need to request funding support for implementation of any legislation having a fiscal impact that is not proposed and budgeted for by the agency.

If you should have any questions or need additional information, please do not hesitate to call me. Thank you for your consideration of this request and your continued support of the Department of Motor Vehicles.

Sincerely,

Marcia S. Adams  
Executive Director



## **FISCAL YEAR 2008-09 BUDGET PLAN**

### **I. EXECUTIVE SUMMARY**

A. Agency Section/Code/Name: Section 66 / R40 / SC Department of Motor Vehicles

B. Statewide Mission: DMV's mission is to support the Governor's efforts to promote economic growth, deliver cost effective and efficient services, enhance quality of life, and increase educational opportunity for the citizens of South Carolina.

C. Summary Description of Strategic or Long-Term Goals:

- (1) Improve DMV products and services by exploring alternative methods of service delivery.
- (2) Ensure customers receive timely, accurate and consistent service in a professional manner.
- (3) Invest in employee development and accountability.
- (4) Raise awareness of DMV organization, policies and services externally.
- (5) Improve communications among employees.
- (6) Maintain the integrity and validity of DMV's products, services and records to foster a program for continuous improvement.
- (7) Maintain safe, professional and functional working facilities.
- (8) Develop and maintain IT systems to support Agency operations.

Summary of Operating Budget Priorities for FY 2008-09:		FUNDING					FTEs			
		State Non- Recurring	State Recurring	Federal	Other	Total	State	Fed.	Other	Total
Priority No.:	Title:	0	0	0	0	\$ 0	0	0	0	0.00
Strategic Goal No. Referenced in <u>Item C Above (if applicable):</u> Activity Number & Name:										
Priority No.:	Title:	0	0	0	0	\$ 0	0	0	0	0.00
Strategic Goal No. Referenced in <u>Item C Above (if applicable):</u> Activity Number & Name:										
Priority No.:	Title:	0	0	0	0	\$ 0	0	0	0	0.00
Strategic Goal No. Referenced in <u>Item C Above (if applicable):</u> Activity Number & Name:										
TOTAL OF ALL PRIORITIES		\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0.00	0.00	0.00	0.00

D.

E. Agency Recurring Base Appropriation: The figures below represent DMV's appropriations as shown in the FY08 Act.

State \$ 0  
Federal\$ 893,014  
Other \$ 80,077,732

F. Efficiency Measures: (Details reported in Section III, category 7 of the Agency's Accountability Report dated September 15, 2006)

- (1) Expanded pilot for issuance of registration and decals by county from 1 to 10 participating counties
- (2) Introduced a pilot program for electronic liens and titling
- (3) Expanded electronic vehicle registration by dealers
- (4) Expanded program to administer driver knowledge tests through area high schools
- (5) Developed requirements and conducted testing for implementation of Motor Carrier Safety Improvement Act
- (6) Maintained reduced statewide customer wait times
- (7) Expanded the functionality of the Automobile Liability Insurance Reporting System (ALIR)
- (8) Implemented expanded employee training for new employees
- (9) Implemented school bus driver recertification program
- (10) Began defining requirements for the implementation of the REAL ID Act

Summary of Capital Budget Priorities:			Additional State Funds	Previously Authorized State Funds	Total Other Fund Sources	Project Total
Priority No.:	<u>Project Name:</u> Activity Number & Name:	Project No*:	0	0	0	\$ 0
Priority No.:	<u>Project Name:</u> Activity Number & Name:	Project No*:	0	0	0	\$ 0
Priority No.:	<u>Project Name:</u> Activity Number & Name:	Project No*:	0	0	0	\$ 0
TOTAL OF ALL CAPITAL BUDGET PRIORITIES			\$ 0	\$ 0	\$ 0	\$ 0

G.

\* If applicable

H. Number of Proviso Changes: **NONE – number changes only – from 36A to 66**

I. I. Signature/Agency Contacts/Telephone Numbers:

- (1) Marcia S. Adams, Executive Director, (803) 896-8924
- (2) Steven W. Lake, Deputy Director of Support Services, (803) 896-3851
- (3) Trish D. Blake, Director of Finance, (803) 896-3844

Address for the 3 individuals listed above:

10311 Wilson Boulevard

PO Box 1498

Blythewood, SC 29016

## FY 2008-09 COST SAVINGS & ACTIVITY PRIORITY ADDENDUM

### I. PRIORITY ASSESSMENT OF ACTIVITIES – HIGHEST PRIORITIES

A. Agency Section/Code/Name: Section 66 / R40 / SC Department of Motor Vehicles

B.

<b>Priority Assessment of Activities – Highest Priorities</b>	<b>General</b>	<b>Federal</b>	<b>Supplemental</b>	<b>Capital Reserve</b>	<b>Other</b>	<b>Total</b>	<b>FTEs</b>
Activity Number & Name: # 1401, Customer Service Centers	0	0	0	0	48,661,703	\$ 48,661,703	959
Activity Number & Name: # 1407, Driver Services – Driver Records & DL Issuance	0	0	0	0	3,791,073	\$ 3,791,073	73
Activity Number & Name: # NEW, Vehicle Services – Titles & Registration	0	0	0	0	3,745,517	\$ 3,745,517	54
Activity Number & Name: # 1406, Product Development & Partnerships	0	0	0	0	1,999,732	\$ 1,999,732	14
Activity Number & Name:	0	0	0	0	0	\$ 0	0
<b>TOTAL OF HIGHEST PRIORITIES</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 58,198,025</b>	<b>\$ 58,198,025</b>	<b>1,100.00</b>

## FY 2008-09 ACTIVITY PRIORITY ADDENDUM

## II. PRIORITY ASSESSMENT OF ACTIVITIES – LOWEST PRIORITIES

- A. Agency Section/Code/Name: Section 66 / R40 / SC Department of Motor Vehicles
- B. Agency Activity Number and Name: #1411: Vehicle Services – Motor Carrier Services – State Highway Fuel Tax Funding  
and Enforcement #1410: Vehicle Services – Dealer Licensing, Regulation
- C. Explanation of Lowest Priority Status: DMV feels that the 2 activities listed above are not in line with the core mission of our Agency and would be better suited if transferred to other Agencies, i.e., DOT and LLR, respectively.
- D. Estimate of Savings:

Estimate of Savings:	General	Federal	Supplemental	Capital Reserve	Other	Total
<b>Personnel:</b>						
(a) Number of FTEs	0	0	0	0	29	29.0
(b) Personal Service	0		0	0	802,500	\$ 802,500
(c) Employer Contributions	0		0	0	246,962	\$ 246,962
Program/Case Services	0	0	0	0	0	\$ 0
Pass-Through Funds	0	0	0	0	0	\$ 0
Other Operating Expenses	0	0	0	0	1,332,893	\$ 1,332,893



<b>Total</b>	\$ 0	\$ 0	\$ 0	\$ 0	\$ 2,382,355	\$ 2,382,355
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E. Activity Impact (*Describe the impact on the activity affected including the impact on customers and clients.*):

Activity 1411: Currently the DMV administers the statutes regarding the International Fuel Tax Agreement. All revenues realized from this program, after refunds are paid to other states, are transferred to DOT to be used in highway construction and for maintenance. DMV is reimbursed by DOT for operating costs associated with administering this program. For the past several years, DOT has had to contribute over \$1 million to fund refunds to other states. We believe that if DOT administered this program, the operating costs could be absorbed within its operations and possibly reduce the amount being funded to DMV for this program.

Activity 1410: The DMV administers all laws pertaining to the buying, selling and exchanging of motor vehicles in this state. The Department of Labor, Licensing and Regulation is responsible for the licensing and regulation of professional occupations and businesses throughout the state. We believe that in order for DMV to carry out its responsibilities fairly and without conflict of interest, the licensing and regulation of motor vehicle and motorcycle manufacturers, distributors, wholesalers and dealers should be transferred to LLR. All licensing fees associated with this licensing function should be transferred to LLR to defray the expenses of administering and enforcing the program.

F.

<b>Summary of Priority Assessment of Activities – Lowest Priorities</b>	<b>General</b>	<b>Federal</b>	<b>Supplemental</b>	<b>Capital Reserve</b>	<b>Other</b>	<b>Total</b>	<b>FTEs</b>
Activity Number & Name: #1411: Vehicle Services – Motor Carrier Services – State Highway Fuel Tax Funding	0	0	0	0	1,067,451	\$ 1,067,451	5
Activity Number & Name: # 1410: Vehicle Services – Dealer Licensing, Regulation, & Enforcement	0	0	0	0	1,314,904	\$ 1,314,904	24
Activity Number & Name:	0	0	0	0	0	\$ 0	0
Activity Number & Name:	0	0	0	0	0	\$ 0	0
Activity Number & Name:	0	0	0	0	0	\$ 0	0
<b>TOTAL OF LOWEST PRIORITIES</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 2,382,355</b>	<b>\$ 2,382,355</b>	<b>29.00</b>